

SENATE FILE 2037
BY KETTERING

A BILL FOR

1 An Act relating to unfair insurance trade practices involving
2 losses requiring replacement items and providing penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 507B.4, subsection 9, Code 2009, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *p.* Failing, when a loss requires replacement
4 of items and the replacement items do not reasonably match in
5 quality, color, or size, to replace all items in the area so as
6 to conform to a reasonably uniform appearance. This provision
7 applies to both interior and exterior losses. The insured
8 shall not bear the cost of complying with this provision over
9 any applicable deductible.

10 EXPLANATION

11 This bill requires an insurer to replace all items in the
12 area to conform to a reasonably uniform appearance when a loss
13 requires replacement of items and the replacement items do not
14 reasonably match in quality, color, or size. Failure to do so
15 is an unfair insurance trade practice. The provision applies
16 to interior and exterior losses and the insured shall not bear
17 the cost of compliance with this provision in excess of any
18 applicable deductible.

19 A violation of this provision may result in a cease and
20 desist order, suspension or revocation of licenses, and
21 assessment of civil penalties.